

UNITED PRESS INTERNATIONAL

December 21, 1960

UPI-30

(SOVIET REACTION)

THE DEPUTY U.S. INTELLIGENCE CHIEF, WARNING AGAINST UNDERESTIMATING RUSSIA'S ECONOMIC AND MILITARY AMBITIONS, PREDICTS THE SOVIET UNION CAN MEET THE AMBITIOUS INDUSTRIAL GOALS SET BY THE KREMLIN.

AT THE SAME TIME, AMERICAN ECONOMIC AND DEFENSE OFFICIALS BRANDED AS COMPLETELY MISLEADING THE NEW RUSSIAN BUDGET BLUEPRINT UNVEILED IN MOSCOW YESTERDAY. THEY TOOK ISSUE WITH THE SOVIET CLAIM THAT ONLY 11.9 PER CENT OF THE RUSSIAN BUDGET WOULD GO FOR MILITARY PURPOSES WHILE 70 PER CENT OF U.S. GOVERNMENT OUTLAYS WERE FOR DEFENSE.

GEN. C. P. CABELL, DEPUTY CIA DIRECTOR, SAID IN A SPEECH AT FORT WORTH, TEX., LAST NIGHT THAT RUSSIA WILL "CONTINUE TO GROW AT A RATE WHICH PRESENTS THE FREE WORLD WITH A SERIOUS THREAT AND CHALLENGE."

HE SAID WESTERN INTELLIGENCE EXPERTS BELIEVED RUSSIA WOULD MEET THE INDUSTRIAL GOALS THE KREMLIN HAS IMPOSED "AND WILL NOT BE GREATLY HAMPERED BY THE DOMESTIC PRESSURES FOR MORE CONSUMER GOODS."

HIS ADVANCE TEXT WAS DISTRIBUTED BEFORE RUSSIA ANNOUNCED ITS PRELIMINARY 1961 BUDGET WHICH CALLED FOR REDUCED MILITARY EXPENDITURES AND EVEN GREATER HEAVY INDUSTRIAL PRODUCTION.

12/21--GE1002A